

State of Idaho

Legislative Services Office

Management Report

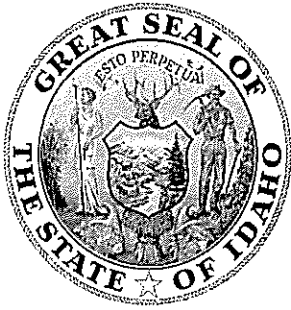
A communication to the Joint Finance-Appropriations Committee

OFFICE OF THE STATE BOARD OF EDUCATION

FY 2008, 2009, AND 2010

Report MR50110
Date Issued: October 7, 2011

Serving Idaho's Citizen Legislature



Don H. Berg, Manager

Idaho Legislative Services Office
Legislative Audits Division

OFFICE OF THE STATE BOARD OF EDUCATION

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Office of the State Board of Education covering the fiscal years ended June 30, 2008, 2009, and 2010. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the Office.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or the prior report.

PRIOR FINDINGS AND RECOMMENDATIONS

The prior report contained one finding and recommendation, which was evaluated as part of the current review and is satisfactorily closed.

AGENCY RESPONSE

The Board has reviewed the report and is in general agreement with its contents.

FINANCIAL INFORMATION

The following financial data is for informational purposes only.

OFFICE OF THE STATE BOARD OF EDUCATION – FY 2010

Fund	Description	Appropriation Balance	Plus Receipts	Plus Net Transfers	Less Disbursements	Appropriation Balance
0001	General Fund	\$36,128,531	\$0	\$0	\$35,663,556	\$464,975 *
0125	Indirect Cost Recovery Fund	161,367	19,854	0	0	181,221
0346	American Reinvestment Fund	0	1,339,827	0	1,339,700	127
0348	Federal Fund	5,561,955	2,807,099	(99,671)	1,111,279	7,158,104 **
0349	Miscellaneous Revenue Fund	840,727	362,336	41,235	76,064	1,168,234
0403	Opportunity Scholarship Fund	20,837,741	227,357	0	895,667	20,169,431
0506	Community College Fund	3,700	0	7,300	0	11,000
		<u>\$63,534,021</u>	<u>\$4,756,473</u>	<u>(\$51,136)</u>	<u>\$39,086,266</u>	<u>\$29,153,092</u>

*Amount reverted to General Fund

**Federal cash advance for the U.S. Department of Education GEAR UP scholarship program.

OTHER INFORMATION

We discussed other issues which, if addressed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho and the Office of the Board of Education and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the executive director, Mike Rush, and his staff.

ASSIGNED STAFF

Patrick Aggers, CPA, CFE, Managing Auditor

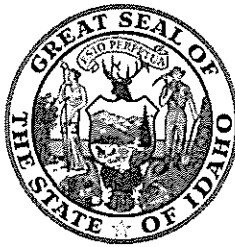
J.E. Bowden, CPA, CFE, In-Charge Auditor

Brian Butkus, Staff Auditor

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AGENCY RESPONSE



IDAHO STATE BOARD OF EDUCATION
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September 23, 2011

Don Berg, Division Manager
Legislative Services Office
Legislative Audits Division
State Capitol, Rm E135
Boise, ID 83720

Dear Mr. Berg,

I have reviewed the Fiscal Year 2008-2010 Management Report conducted by your office, and am pleased to note that there are no findings or recommendations contained in the report for this audit period. The report concludes "We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the office." I hereby accept the audit report and its conclusion.

The Office of the State Board of Education is committed to maintaining the highest operating standards and welcomes this opportunity to review and improve our procedures and internal controls.

It was a pleasure working with your staff, and I especially want to thank J. E. Bowden, CPA, and Brian Butkus for their cooperation and professionalism throughout the course of their work.

Sincerely,

A handwritten signature in cursive script, reading "Mike Rush".

Mike Rush
Executive Director

APPENDIX

HISTORY

The constitutional and statutory authority for the State Board of Education and the Board of Regents of the University of Idaho is found in Article IX, Sections 2 and 10, of the Idaho Constitution and throughout Title 33 of the Idaho Code. Idaho Code, Section 33-102A establishes the Office of the State Board of Education as an executive agency of the Board.

PURPOSE

The Office of the State Board of Education assists the Board in the execution of its legal responsibilities. Consistent with that role, the Office functions to:

- Provide information, analysis, and recommendations associated with the Board's decision-making process, including policy decisions affecting K-12, student assessment, higher education programming, college and university building projects, and financing.
- Coordinate the function and activities of those agencies and institutions governed by or funded through the Board.
- Initiate, in cooperation with those agencies and institutions, long-term planning efforts responsive to emerging legal, social, and fiscal events in the State, region, and nation.
- Interact, as directed by the Board, with other branches and representatives of State government.
- Provide public information with respect to the Board, its policies, and its institutions.
- Establish and coordinate the Board's plan for K-12 and higher education in Idaho.
- Administer all programs and services assigned to the Board by statute, regulation, or appropriation.

The Office is funded by a General Fund appropriation, as well as federal funds used to support various positions and activities relating to federal grant management. Miscellaneous funds are used to administer proprietary schools and the GIANTS program. General Fund appropriations are also appropriated to health education and special programs.

In addition to the activities and duties described above, the Office is the State Education Agency (SEA) that has the authority to receive all federal education funds. While the majority of these funds are passed directly to the State Department of Education and then to local districts, a small percentage of federal funds, with the assistance of State dollars, are used to operate programs which the Board oversees.

Health Education Programs

The General Fund appropriation for health education is used for the Western Interstate Commission for Higher Education–Professional Student Exchange Program (WICHE-PSEP); the Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) compact; the Utah/Idaho Medical Program; the Family Practice Residency Program; and the Psychiatry Residency Program.

WICHE-PSEP provides Idaho residents an opportunity to attend an out-of-state optometry program. WWAMI provides Idaho residents access to medical seats at the University of Washington School of Medicine. The Utah/Idaho Medical Program provides Idaho residents access to medical seats at the University of Utah School of Medicine. This appropriation helps cover the costs of the students' education.

Idaho's two Family Practice Residency Programs provide the final three years of formal family physician residency training. The program encourages newly graduated medical doctors to practice in Idaho. The Family Practice Residency of Southwest Idaho Program, located in Boise, provides training for nine new residents each year. The Idaho State University Family Residency Program, located in Pocatello, provides training for four new residents each year. Patient fees, local hospital contributions, and the State General Fund pay for the programs. Students from both the Idaho State College of Health Sciences and Health Related Profession and Boise State University's College of Health Sciences also receive training in the residency programs.

The Psychiatry Residency Program offers training for residents who spend the first two years at University of Washington and the last three years in Boise. Clinical rotations are at the Boise Veterans Administration Hospital, St. Alphonsus Regional Medical Center, St. Luke's Regional Medical Center, and rural rotations around the State.

Special Programs

Scholarships and grants provide financial support to students attending Idaho's post-secondary educational institutions. The following scholarship and grant programs are funded by General Fund appropriations and federal funds:

Idaho Promise Scholarship – Category A

Offers approximately 100 new scholarships each year (up to 400 total active recipients) to outstanding Idaho high school seniors who plan to pursue post-secondary academic or vocational studies at one of Idaho's public or private institutions of higher education. The Office of the State Board of Education determines award amounts.

Idaho Promise Scholarship – Category B

Provides up to \$250 per semester for all Idaho high school seniors graduating with a grade point average of at least 3.0 or an ACT score of at least 20. The scholarships are limited to two years and to students younger than 22 years of age. Recipients must maintain at least a 2.5 GPA to remain eligible. Participating institutions may provide up to a 1:1 match.

Opportunity Scholarship

A need-based scholarship is designed on a shared responsibility model with State dollars being the "last dollars." This means that a student must apply for federal aid and have a self or family contribution element before they would be eligible for the Opportunity Scholarship. In fiscal years 2008 and 2009, \$10 million was put into an endowment fund to provide funding for these scholarships.

Other Scholarship programs governed by the Board include:

- Atwell J. Parry College Work-Study Program
- Minority/"At Risk" Student Scholarship Program
- Teachers/Nurses Loan Forgiveness Program
- Freedom Scholarship
- Police/Firefighters Scholarships
- "Grow Your Own" Teacher Corp. Scholarship
- Leveraging Educational Assistance Program (LEAP)
- Paul Douglas Teacher Scholarship
- Byrd Scholarships

Other Programs

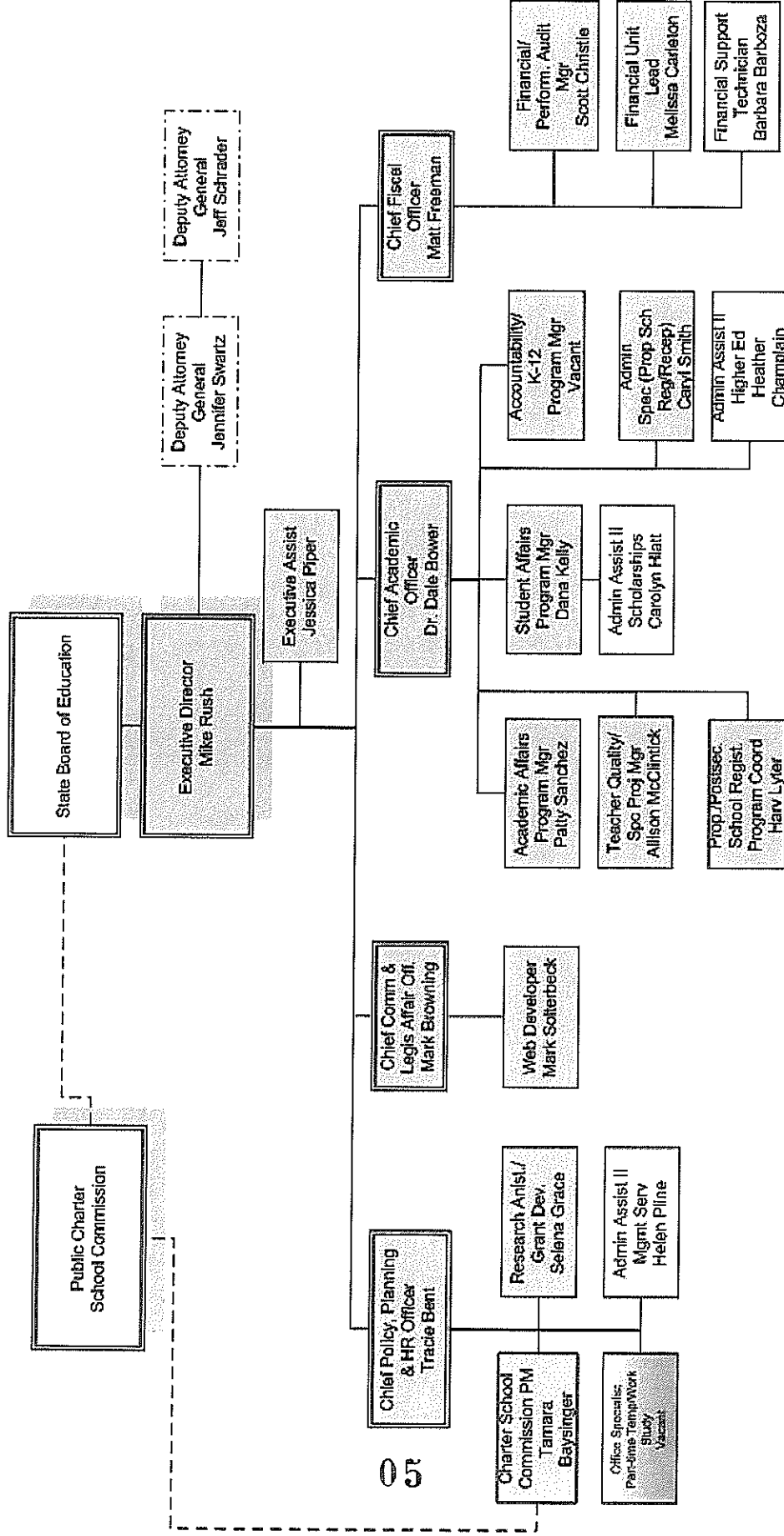
The Idaho Council for Technology in Learning (ICTL) was created to apply technology to meet the public need for an improved and thorough public education system. The ICTL consists of 14 members, including legislators, the State Superintendent of Public Instruction, a private business representative, a State Board of Education member, and other public officials involved in education. The Council's goal is to ensure coordination and effective implementation of State-funded learning technologies. The Council makes recommendations for expenditures of ICTL funds. The State Board of Education must approve these recommendations before funds may be spent.

ORGANIZATION

The State Board of Education consists of eight members. The Governor appoints seven members to five-year terms. The State Superintendent of Public Instruction serves as the executive secretary of the Board.

The Board appoints the executive director of the Office of the State Board of Education. The current executive director is Mike Rush. A professional staff and general administrative staff assist the executive director. The Office's organization chart is illustrated on the following page.

Office of the State Board of Education



Purple filled positions are non-classified; yellow-filled positions are classified positions; gray-filled positions are group positions.
 All Mgmt Serv. supports all of Management Services (Policy/Planning and Communications)